

Sunday November 30, 2003

Hardwick Gazette
P. O. Box 367
Hardwick, VT 05843-0367

Dear Letter to the Editor:

I was recently forwarded a series of lengthy letters to your newspaper about the St. Johnsbury and Lake Champlain Railroad—or St. Johnsbury and Lamoille County—as it has more recently been called (St.J & LC). Each of the letters, by the various authors, though well written, have various points that are either misleading or inaccurate. Let's start at the beginning. In the year's after the civil war, an effort was begun in Vermont to charter railroad companies to build a line that connected to a new railroad from Portland, Maine, (Portland & Ogdensburg Railroad—later Maine Central Railroad) The intention was to build west out of St. Johnsbury all the way to Lake Champlain—and actually beyond into Canada. Finally, open in 1877, the life of the railroad began to take an ominous series of twists and turns, reorganizations and bankruptcies that seemed to never end. Severe storms were always a problem, severing the line numerous times.

Traffic either originating or terminating on the line was never enough to be profitable and the 'bridge traffic'—traffic that originated off-line, and then was transported by the St. J& LC to a place that terminated off line—was the only saving grace. The railroad's tag line of being the "Bridge Route" owed more to this truism of logistics rather than the railroad's abundance of scenic, but light duty, covered-bridges.

By the 1950s, local business interests bought the line from the Boston & Maine Railroad and they turned it over to the H.E. Salzburg Company which in turn sold it to the Pinsky Railroad Company in 1968. Pinsky was a notable entity because this was the last time that a private sector railroad actually both owned both the line—and operated the trains.

It was also during the Pinsky years that five of the six old covered bridges were replaced with modern ones. The covered bridge at Wolcott was strengthened with a steel carrying beam—paid for by local businesses and towns people. Overall, both Salzburg and Pinsky collectively put in \$700,000 in track and other capital improvements during their stint and it still wasn't enough to keep up with deteriorating track conditions. When a derailment in late 1972 caused a brand-new \$900,000 generator to land in the Lamoille River, Pinsky ceased operations and started the proceedings to formally abandon the railroad before the old Interstate Commerce Commission (ICC).

After a winter of meetings and hearings, the major shippers (mainly talc and asbestos mines) and town's people along the line wanted the line re-opened. The state of Vermont in the meantime had created a Transportation Authority to buy railroad corridor in the state—and to fund the rehab of such lines if it made sense to do so. The St. J&LC was the beneficiary of \$3.5 million right away in track repairs. However, this was only the beginning of the influx of state and federal money into this line AND it was the beginning of the state subsidy to operate the line.

After a series of operators and even more state subsidies, (\$7.1 million for track repair was authorized in 1977) another reincarnation of the line began in 1978. This time known as the Lamoille Valley Railroad, this reincarnation even had major funds (\$250,000) raised from local shippers. Things began to look up, but events beyond the control of the state of Vermont, conspired to once again, do-in the railroad.

Do not forget, this line was the “Bridge Route”—a bridge between other railroads to the east and west of Vermont. The only hope for a semblance of a profitable railroad could be achieved if the line had viable east-west connections at each end. This was a truism of logistics in rural areas that was known even before the railroad was built.

On June 16, 1981, the Maine Central Railroad (MEC) and its Mountain Division—the St. J&LC’s eastern connection to Portland—was sold to Guilford Transportation Industries, a new holding company headed by financier Timothy Mellon. Mellon's intent was to compete with Conrail for east-west traffic. By acquiring the Boston & Maine Railroad and the Delaware and Hudson Railway, and connecting them to the MEC, he was able to do so.

In September of 1983, in order to protect their primary and most efficient east-west route—the one through northern Massachusetts—Guilford rerouted all their east-west traffic onto the Massachusetts route. The last regular train on the Mountain Division ran on September 2, 1983 as Guilford no longer felt it necessary to feed traffic to the St. J&LC—and Guilford’s competitors.

In the spring of 1984, with the “*bridge*” to the east into Portland severed, a major talc plant in Johnson closed down and everyone knows what happened to the asbestos business. Both the talc and asbestos industries accounted for the vast majority of originating traffic. However, in the span of only six months, the St. J&LC not only lost the eastern end of its “*bridge*”, but it also lost the vast majority of its traffic proper.

In June of 1984, another flood did major damage to the line. The entire state was declared a disaster area so federal money was available to rebuild the railroad—once again. The St. J&LC continued to survive—on paper anyway.

In 1989, the state chose a new operator of the line who then rather quickly gave up the ghost on the section west of Morrisville. This, the final operator, ran shorter and shorter trains east to and from St. Johnsbury until the mid 1990s when that segment also became untenable. It was during this last gasp that wags in the railroad industry said that the old St. J&LC had the longest ‘*engine house lead track in the U.S.*’ (50 miles from the Morrisville engine-house to St. Johnsbury—with virtually no traffic in between)

During the late 1990s and early 2000s, the State of Vermont’s Senate and House Transportation committees began look more closely at the situation on the St. J&LC. An entity called Vermont RailLink surfaced with a proposal to operate the line as a railroad. They only needed some more state money to make it a reality.

After numerous hearings, a high profile marketing campaign, high profile lobbying in the state house and a comprehensive study of the corridor and what it would cost to restore as a marginally functioning railroad. (\$22.1 million¹), the legislature spoke and spoke loudly. They wanted it railbanked, the rails and ties pulled out and salvaged for other functioning railroad lines in Vermont and the corridor to become turned over to the state’s snowmobile organization, VAST, to be developed into a true four-season multi-use trail. This is just about to happen.

Now that the history of the corridor has been brought up to date, let me now address some of the other inaccuracies in those previous letters.

In previous letters, the term *railbanked* was written in a general context of meaning abandoned. This is NOT true. Railbanking preserves corridors for future use as railroads and for those who don’t agree with this aren’t up to date on what is happening around the U.S.

Some railroad rights-of-way contain easements that revert to adjacent landowners when an abandonment is consummated. However, if a line is railbanked, the corridor is treated as if it had not been abandoned. As a result, the integrity of the corridor is maintained, and any reversions that could break it up into small pieces are prevented.

A Primer on the Legislative Background of Federal Railbanking Program
As Given in Testimony Before Congress on June 30, 2002
by Andrea Ferster, General Counsel for Rails-to-Trails Conservancy

In 1976, Congress recognized the need to create a “national rail bank” of railroad corridors as a way of ensuring that our nation’s built rail corridor infrastructure, which was frequently assembled at great public cost through state or federal land grants or loan guarantees and powers of eminent domain, remained dedicated for transportation purposes, although these corridors were not needed for present or foreseeable future railroad operations. The Railroad Revitalization and Regulatory Reform Act of 1976 (4-R Act) provided for mandatory transfers of corridors proposed for abandonment to other carriers, and directed the Interstate Commerce Commission (ICC), which regulates railroad abandonments, to impose conditions barring the disposition of railroad rights of way for 180 days in order to allow for possible transfers for public use, including for trails. Notwithstanding these regulatory tools, the declining fortunes of the rail industry began to result in an increasing loss of railroad corridor through abandonment. Then in 1980, Congress passed the Staggers Rail Act, which required the ICC to exempt most rail abandonments from regulation. As a result, the rate of rail abandonments by major carriers accelerated to between 4,000 to 8,000 miles per year. This alarming rate of rail abandonments made corridor preservation a critical issue of national policy.

Once the ICC granted abandonment authorization, the railroad was free to remove the tracks and ties, sell the right of way piecemeal to private owners, or simply allow the right of way to be claimed by adjacent landowners. Our nation’s rail corridor system, “painstakingly created over several generations,” was at risk of becoming irreparably fragmented due to the present high cost of land and the difficulties of assembling right-of-way in our increasingly populous nation. Today, it would be virtually impossible to recreate this system once the right of way is fragmented, and bridges, tunnels and other costly structures destroyed.

Alarmed by the potential loss of this valuable national resource, Congress began to look for ways to facilitate the preservation of these corridors for alternative public transportation uses, without interfering with the ability of the financially-beleaguered railroad industry to shed duplicative or unprofitable lines. The possibility of transferring these surplus rights of way to third parties for use as trails began to emerge as an efficient method of preserving these corridors.

Section 8(d) of the National Trails Systems Act

Section 8(d) of the National Trails System Act is the legislative centerpiece of the federal “Rails to Trails Program...” This law was enacted by Congress and signed into law by President Ronald Reagan in 1983 to provide an effective mechanism for preserving railroad rights-of-way for future rail service and for energy efficient alternative transportation use, without imposing additional burdens on rail carriers. The law allows railroads to transfer inactive railroad corridors to qualified trail managers for interim use as trails, until such time as these rights-of-way are needed for future rail service on the condition that trail managers assume all carrying costs (liability, maintenance, and taxes) of the rights of way. By pairing railbanking with interim trail use, Congress created a mechanism that allows for the preservation of our nation’s built rail corridor infrastructure for future railroad purposes without burdening the railroads with unwanted property or the communities through which these corridors run with vacant and derelict land. This process is known as “railbanking”.

Section 8(d) (the Railbanking Law) facilitated rails-to-trails conversions by preserving the jurisdiction of the ICC (now called the Surface Transportation Board or STB) over inactive railroad corridors that were dedicated to interim trail use and subject to future reactivation of rail service. At the same time, the Railbanking Law created an incentive for railroads to enter into interim trail use / railbanking negotiations by allowing the railroad to liquidate its entire interest in the rail line where a qualified governmental or private organization agreed “to assume full responsibility for management of such rights-of-way and for any legal liability arising out of such transfer or use, and for the payment of any and all taxes that may be levied or assessed against such rights-of-way.”

The Railbanking Law has, in fact, been serving its intended function of preserving inactive railroad corridors intact for public use. Since the program’s inception in 1983, the ICC/STB has issued

398 railbanking orders, resulting in the acquisition of 180 railbanked corridors in 30 states representing 3,983 miles. Some 1,552 miles of railbanked corridors are presently open trails, with an additional 1,834 miles of trail under development on railbanked corridors.

The Railbanking Law has in fact assisted in preserving railroad corridors for active rail use. For example, in 1993, ICC approved the reactivation of a corridor in Ohio that had been railbanked in 1990.

Norfolk and Western Railway Co.—Abandonment Between St. Mary’s and Minster in Auglaize

County, OH, Dkt. No. AB-290 (Sub-No. 68), 9 I.C.C.2d 1015 (1993).

Moreover, many more jurisdictions throughout the country have acquired and railbanked rail corridors for future use as light rail, commuter rail, and transit lines. Examples include the Placerville Branch outside of Sacramento, Montgomery County, Maryland, and Madison County, Illinois. Without the Railbanking Law, these corridors would likely have been lost for future rail transportation use.

In 1983, when Congress amended The National Trails System Act to create what we call “railbanking”, the amendment simply provided the mechanism to accomplish what Congress had previously intended. According to the legislative history, that was to preserve railroad rights-of-way, protect transportation corridors, and encourage energy efficient transportation use. Railbanking represents a unique win-win situation, protecting the nation’s historic transportation corridors, while providing the opportunity for a sensible and beneficial interim use. The result, while serving to accomplish many ends, was the formation of an effective process for creating rail-trails.

Many of the previous letters noted that the railroad has not been given a ‘fair chance’ and a ‘popularity contest’ of sorts has ramrodded this trail project ahead. Nothing could be further from the truth. The premise of this argument is that with energetic ownership and creative marketing, a railroad will be able to be weaned from the public dole. This is not true.

In my past life, I worked in the railroad industry marketing rail freight and operated southern New England’s largest and most successful railroad-owned transloading facility. A basic rule of thumb for determining profitability in the short line industry is that you need 100 cars per mile, per year, in order to break even. For the St. J&LC this means it would need 9,600 cars of traffic per year. The best year for traffic on the St J&LC was 30 years ago and that saw 7,000 cars. That was when the ‘bridge’ was functioning along with the talc and asbestos industries. Those days are gone.

Another reason why the idea of resurrecting this railroad line hasn’t happened is plainly evident by the lack of qualified railroad operators lining up to become the chosen operator. If this was such a good idea, why haven’t the railroads already successfully operating in Vermont taken an interest in this? Vermont Rail Systems (VRS) and New England Central Railroad (NECR) are very successful and savvy operators. They, as well as everyone else in the railroad industry knows that the St. J&LC doesn’t work anymore. If it did, they’d be there lining up to run it.

The earlier letters also noted that there were thousands of miles of snowmobile trails in Vermont along with thousands of miles of bike friendly roads—laying out the premise that there is no need for making a rail-trail on the St. J&LC. The premise of one of the letters even suggested that if built out as a trail, there wouldn’t be a real benefit to the communities along the St. J& LC. Both of those arguments are without merit.

First of all, I agree that there are thousands of miles of nice snowmobile trails and even thousands of miles of bike friendly roads in Vermont. Why even the St. J&LC has made a nice snowmobile trail for most of twenty years so that wouldn’t even change. In addition, quite frankly, most of the 30,000 or so bike tourists who come to Vermont for the organized tours—on the bike friendly roads will still be on the roads.²

The authors of those previous letters have failed to note the immense population of tourists who love to bike or walk on rail trails, but would never ride on a road. The numbers of users on just one popular rail trail in Vermont, (the 300,000 users on the Burlington Bike Path) swamps the total number of organized

riders throughout the entire state. The dollars generated from users of rail trails also swamps the numbers generated from road bikers. Here's some statistics from a sampling of projects around the U.S and beyond:

- In 1998, the direct economic impact of the Great Allegheny Passage exceeded \$14 million a year—even though the rail trail was only half-finished at that time.³
- In Confluence, Pennsylvania, one of the project's first trailhead towns, the trail has encouraged the development of several new businesses and a rise in real estate values.⁴
- In the months following the opening of the Mineral Belt Trail in Leadville, Colorado, the city reported a 19 percent increase in sales tax revenues.⁵
- Owners of restaurants and lodging facilities report that they are serving customers who have come into town specifically to ride the trail. The trail has helped Leadville recover from the economic blow of a mine closure in 1999.⁶
- The Mineral Wells to Weatherford Rail-Trail in Texas attracts approximately 300,000 people annually and generates local revenues of \$2 million.⁷
- Visitors to Ohio's Little Miami Scenic Trail spend an average of \$13.54 per visit just on food, beverages and transportation to the trail. In addition, they spend an estimated \$277 per person each year on clothing, equipment and accessories to use during these trail trips. The total economic benefit is impressive considering there are an estimated 150,000 trail users per year.⁸
- The Mispillion River Greenway in Milford, Delaware, is credited with inspiring downtown reinvestment and a net gain in new businesses, with more than 250 people now working in a downtown that was nearly vacant 10 years ago.⁹
- The downtown of Dunedin, Florida suffered a 35 percent storefront vacancy rate in 1992. Then, an abandoned CSX railroad track became the Pinellas Trail. Now, storefront occupancy is 100 percent and there is a waiting list for available space.¹⁰
- For peak-season, hotel rooms along Wisconsin's 32-mile Elroy-Sparta State Park Trail are booked up to a full year in advance. A state study revealed that the average visitor travels 228 miles to get to the trail, bringing substantial "new" money into Wisconsin.¹¹
- On average, Québec bicycle tourists travel a total of 15 days per year, generally spread out over two, three or four trips. In terms of accommodations, they prefer either hotels (bed-and-breakfasts, hotels, motels, etc.) or campsites. Bicycle tourists spend an average of about a hundred dollars a day, making them a more lucrative tourist clientele than average Québec tourists, who spend only \$52 per day.¹²

The idea of making the St. J&LC into a world-class rail trail—like none other seen in New England is nearing reality. However, much hard work lies ahead. The Vermont Agency of Transportation (VTrans) is in the midst of the rail-banking process for the Lamoille Valley Rail Corridor. VTrans filed the required package of information to the Surface Transportation Board (STB) in Washington, D.C. on November 24, 2003. The STB is required to post the notice of this in the Federal Register within 20 days after it is filed. It therefore should appear sometime this month. Please write a letter supporting this action and send it to:

Section of Environmental Analysis
Surface Transportation Board, Room 500
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Surface Transportation Board, Docket No. AB-44 (Sub-No. 1X)

Sincerely,

Craig P. Della Penna
New England Field Representative

¹ LVRC Phase One. Preliminary Engineering Inspection, Evaluation & Analysis by Edwards and Kelcey, Inc. for State of Vermont Agency of Transportation Rail Division, October 2000.

² 1991 it was estimated Vermont had 10,500 bicyclists who took guided bicycle tours and 16,250 bicyclists who took self-guided bicycle tours. Burgess, Bruce. 1995. *Bicycle Touring in Vermont and Vermont's Scenic Byways Program*. Vermont Agency of Transportation.

³ 6 Stephen Farber, University of Pittsburgh and Pennsylvania Economy League, Inc., *An Economic Impact study for the Allegheny Trail Alliance*, January 1999, i-ii.

⁴ *Enhancing America's Communities: A Guide to Transportation Enhancements*, National Transportation Enhancements Clearinghouse, November 2002, p.17

⁵ Steve Lerner and William Poole, *The Economic Benefits of Parks and Open Space*, The Trust for Public Land, p. 4

⁶ Ibid., p. 11

⁷ *A Guide to Transportation Enhancements*, National Transportation Enhancements Clearinghouse, 1999, p. 11.

⁸ Ohio-Kentucky-Indiana Regional Council of Governments, *Trail Users Study, Little Miami Scenic Trail*, 1999, p. 15-32.

⁹ *Enhancing America's Communities*, p. 14

¹⁰ *Greenways and Trails: Bringing Economic Benefits to New York*. A report by the New York Parks and Conservation Association and the Business Council of New York State, Inc.

¹¹ *Greenways and Trails: Bringing Economic Benefits to New York*. A report by the New York Parks and Conservation Association and the Business Council of New York State, Inc.

¹² *Bicycling in Quebec, 2000*. Velo Quebec p. 8